BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

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SECRETARY, BOARD OF OIL, GAS & MINING

IN THE MATTER OF THE REQUEST

FOR AGENCY ACTION OF STONE

ENERGY CORPORATION FOR AN :

ORDER AUTHORIZING THE VENTING

OR FLARING OF GAS FROM THE THREEMILE 12-7 WELL LOCATED IN

SECTION 12, TOWNSHIP 29 SOUTH,

RANGE 21 EAST, SLM, IN THE HATCH POINT PROSPECT AREA OF SAN JUAN

COUNTY, UTAH.

NOTICE OF HEARING

Docket No. 2011-008 Cause No. 166-04

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THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, October 26, 2011, at 9:00 AM, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq. and as provided for in Utah Code Ann. § 40-6-1 et seq. and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to:

- 1. Receive testimony and evidence from the Petitioner regarding any continued need and justification for additional flaring authority pursuant to R649-3-20.11 of the Utah Admin. Code (2011) for the Threemile 12-7 well, (surface location NW1/4SE1/4 of Section 12 of T29S R21E SLM, and bottom hole location in NE1/4SW1/4 of Section 7 of T29S R22E, SLM,) in the Hatch Point Prospect Area of San Juan County, Utah; and
- 2. Hear the Division's report on its monitoring of the gas flare rates and production tests from the Stone's Threemile #16-17 and La Sal #29-28 Wells and/or additional test results upon completion of other segments in the Threemile # 12-7 Well as required by the Board's prior Order in this matter; and
- 3. Enter an Order as appropriate to continue, discontinue or modifying the Board's May 27, 2011 Order allowing for continued flaring of gas from the Threemile 12-7 well; and

4. Providing such other relief as may be just and equitable under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than the 10th day of the month, or two weeks before the scheduled hearing, whichever is earlier. A party must file a timely written objection or other response in order to participate as a party at the Board hearing.

Natural persons may appear and represent themselves before the Board. All other representation by parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 27th day of September, 2011.

STATE OF UTAH BOARD OF OIL, GAS AND MINING James T. Jensen, Chairman

/s/Julie Ann Carter Secretary to the Board

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2011-008, Cause No. 166-04 to be mailed with postage prepaid, this 28th day of September, 2011, to the following:

Phillip Wm. Lear Jonathan D. Lear Attorneys for Stone Energy Corporation 808 East South Temple Street Salt Lake City, UT 84102

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Stone Energy Corporation Attn: E.J. Louviere, SVP Land 625 E. Kaliste Saloom Road Lafayette LA 70508

Whiting Oil and Gas Corporation Attn: Scott McDaniel Regional Land Manager 1700 Broadway, Suite 2300 Denver, CO 80290

Evertson Energy Partners LLC Attn: Candy Bussinger Land Manager P.O. Box 397 Kimball, NE 69145

Halliburton Energy Services Inc. Attn: John Fallon, Land Manager 2107 City West Blvd., Bldg. 2 P.O. Box 42806 (77242) Houston, TX 77042-3051 PAMCO Investments Corp. Attn: Al Powell, President 7112 West Jefferson Ave., Suite 105 Denver, CO 80235

Ramshorn Investments Inc. Attn: J. R. "Digger" Smith, President 515 W. Greens Rd., Suite 1000 Houston, TX 77067

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St. Anselm Exploration Company 730 17th Street, #820 Denver CO 80202-3518

Fairway Asset Management 475 17th Street, Suite 1390 Denver CO 80202

Benson Mineral Group, Inc. 1560 Broadway, Suite 1900 Denver CO 80202 Dale L. Schwarzhoff c/o Benson Mineral Group, Inc. 1560 Broadway, Suite 1900 Denver CO 80202

The Esperanza Company 718 17th Street, Suite 808 Denver CO 80202 [Undeliverable]

BBE Holdings LLC 1512 Larimer Street, Suite 550 Denver CO 80202

HHK-Wilcox Company, Inc. c/o Benson Mineral Group, Inc. 1560 Broadway, Suite 1900 Denver CO 80202

Leo B. Helzel or Florence Helzel Trustees of the Leo B. Helzel and Florence Helzel Living Trust c/o Benson Mineral Group, Inc. 1560 Broadway, Suite 1900 Denver CO 80202

Bearcat. Inc. 1200 17th Street, Suite 2100 Denver CO 80202-5821

River Gas Company, LLC 302 Merchants Walk, Suite 250 Tuscaloosa AL 35406

Timothy L. Smith 906 S. Chase Street Lakewood CO 80226

Intrepid Oil & Gas LLC 475 17th Street, Suite 1390 Denver CO 80202

Aspect Resources, LLC 511 16th Street, #300 Denver CO 80202 [Undeliverable]

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Robert P. Jornayvaz, III 1506 Cottonwood Village CO 80121-1227

Johnston Family, LLC 7838 S. Wadsworth Way Littleton CO 80128

Raymond T. Duncan Oil Properties, Ltd. 1777 S. Harrison Street, P-1 Denver CO 80210 Raymond G. Sebastian 49030 Della Robia Lane Palm Desert, CA 92260-6722

William S. Montgomery 512 Copeland Way Longmont CO 80504-1518

John M. Legg 4816 Dominion Court Flower Mount TX 75022

Kirkpatrick Energy Associates 600 17th Street, Suite 1723-N Denver CO 80202-5423 [Undeliverable]

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2011-008, Cause No. 166-04 to be PUBLISHED in the following newspapers on the following days:

October 2, 2011:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

October 5, 2011:

San Juan Record, a newspaper of general circulation in San Juan County.

Julie Ann Carter